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Centre for the Study of Living Standards

Canadians Are Happy and Getting Happier: An Overview of Life Satisfaction in Canada, 2003-2011

CSLS Research Note 2012-03

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# Canadians Are Happy and Getting Happier: An Overview of Life Satisfaction in Canada, 2003-2011

## **Executive Summary**

The objective of this report is to provide an update and overview of trends in self-reported life satisfaction in Canada, based on data from Statistics Canada's Canadian Community Health Survey (CCHS). Key findings are found below.

- In 2011 more than 9 out of 10 Canadians aged 12 and over (92.3 per cent) reported that they were satisfied or very satisfied with their lives.
- According to a Gallup World Poll taken in February 2012, Canada is the second happiest country in the world preceded only by Denmark. Our ranking has increased from 5<sup>th</sup> place (2007-8 Gallup World Poll), indicating that Canada is becoming happier relative to its international peers.
- Between 2003 and 2011, the percentage of the population reporting being satisfied or very satisfied with life in general increased a small but statistically significant 1.0 percentage points from 91.3 to 92.3.
- In general, younger Canadians were more likely to be satisfied with their life overall in 2011 than other age groups. Of the five age groups, persons aged 12 to 19 were the happiest, with 96.9 per cent reporting being satisfied or very satisfied with their lives. In contrast, those 65 and over were the least happy, with 89.1 per cent reporting being satisfied or very satisfied).
- A significant gap in life satisfaction has emerged between the very young and old. In 2003, the proportion of persons aged 12 to 19 who were satisfied or very satisfied was only 2 percentage points higher than for persons 65 and over (94.0 per cent versus 92.0 per cent). By 2011 the gap had jumped to 7.8 percentage points. With the growing importance of persons 65 and over in the population, the absolute decline in life satisfaction among seniors represents an important emerging public policy issue.
- Based on the 2003-2011 period average, Nova Scotia, Quebec and Newfoundland and Labrador had the highest average levels of life satisfaction, while British Columbia, Ontario and Nunavut had the lowest. Between 2003 and 2011, life satisfaction increased by a statistically significant amount in Quebec and the Yukon.
- Based on the 2003-2011 period average, four of the five CMAs with the highest life satisfaction were in Quebec – Québec City, Trois-Rivières, the Quebec side of the Ottawa-Gatineau CMA, and Saguenay – while the bottom three CMAs were located in Ontario – Kitchener, Windsor, and Toronto

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# Canadians Are Happy and Getting Happier: An Overview of Life Satisfaction in Canada, 2003-2011<sup>1</sup>

In recent years, the limitations of the traditional metrics for measuring progress have been questioned and new approaches put forward. Key international organizations, such as the OECD and the European Commission and political leaders, such as Nicholas Sarkozy, former President of France and David Cameron, Prime Minister of the United Kingdom, have spearheaded this movement from a GDP-based metric of measuring economic performance and social progress to well-being based metrics.<sup>2</sup> An important aspect of this new thinking has been the recognition of the importance for measuring progress of subjective well-being, also known as happiness or life satisfaction.

In 2010, the Centre for the Study of Living Standards (CSLS) released a major report on the determinants of the happiness of Canadians (Sharpe *et al.*, 2010) and organized, with the Institute for Competitiveness and Prosperity, a conference on happiness and public policy (CSLS, 2011).<sup>3</sup> The objective of this report is to update estimates to 2011 on the self-reported life satisfaction in Canada that was found in the 2010 report. These data are from the Canadian Community Health Survey (CCHS) conducted by Statistics Canada and are posted in the CSLS happiness database.<sup>4</sup>

This report is divided into three main sections. The first section discusses the main data source – the Canadian Community Health Survey. The second section examines the trends in life satisfaction over the 2003-2011 period in Canada (by sex and age group), in the provinces and

<sup>&</sup>lt;sup>1</sup> This report was written by Andrew Sharpe, Executive Director of the Centre for the Study of Living Standards and Evan Capeluck, a coop student at the CSLS during the summer of 2012. The authors would like to thank David Lewis for comments and Whitney Hamilton for editorial assistance. Email: andrew.sharpe@csls.ca

The OECD has organized four major international conferences on the theme of measuring progress (Palermo, Italy 2005; Istanbul, Turkey, 2007; Busan, Korea, 2009; and Delhi, India, 2012) and has released a composite well-being index (OECD, 2011) called the OECD Better life Index <a href="http://www.oecdbetterlifeindex.org/">http://www.oecdbetterlifeindex.org/</a>. In 2009, the European Commission released a report on GDP and beyond (Commission of the European Communities, 2009). In 2008, the then President of France Nicholas Sarkoky appointed a committee of leading economists to report on the measurement of economic performance and social progress. The committee, chaired by Joseph Stiglitz, Amartya Sen, and Jean-Paul Fitoussi, released a report (often referred to as the Stiglitz report) in September 2009 (Stiglitz, Sen and Fitoussi, 2009). In November 2010 David Cameron, Prime Minister of the United Kingdom announced plans to measure happiness in the United Kingdom. In July 2012 the UK Office of National Statistics released the first results of this measurement exercise (ONS, 2012 and Randall, 2012).

<sup>&</sup>lt;sup>3</sup> The report found that the best predictors of happiness were perceived mental and physical health, stress levels, and sense of belonging in one's community. Being unemployed was found to have a negative impact of individual happiness. Married persons and non-immigrants tended to be happier than unmarried persons and immigrants. Household income was a comparatively weak determinant of an individual's happiness.

<sup>&</sup>lt;sup>4</sup> The database contains estimates of the proportion of the population 12 and over who were satisfied or very satisfied with their lives for the years 2003, 2005, and 2007 to 2011 for Canada, the provinces and territories, CMAs, and health regions. <a href="http://www.csls.ca/data.asp">http://www.csls.ca/data.asp</a>

territories, and in health region peer groups. The third section compares life satisfaction in Canada to that of other countries.

#### I. Data Source

The data on life satisfaction discussed in this research report are from the Canadian Community Health Survey (CCHS). The main purpose of the CCHS is to assemble "health-related data at the sub-provincial levels of geography." The CCHS was conducted on a biennial basis from 2003 to 2007 and since 2007 has been conducted annually.

The CCHS has a sample size of 65,000 respondents, which are "allocated among the provinces according to the size of their respective populations and the number of health regions (HRs) they contained." Individuals surveyed for the CCHS include people aged 12 years and older living in all provinces and territories. The CCHS, however, excludes "persons living on reserves and other Aboriginal settlements in the provinces; full-time members of the Canadian Forces; the institutionalized population and persons living in the Quebec health regions of Région du Nunavik and Région des Terres-Cries-de-la-Baie-James."

The CCHS variable central to this report – the per cent of the population aged 12 and over who reported being satisfied or very satisfied with their life in general, was based on a five point scale between 2003 and 2008. In 2009, an eleven-point scale from 0 to 10 was introduced. According to Statistics Canada, the change in the number of answer categories did not harm data quality as "concordance between the two scales was found to be good."

The measure of life satisfaction used in this report is based on the perceptions and emotions of respondents, not the objective realities of life in Canada. This is not a flaw as life satisfaction and happiness are based on subjective reactions to physical realities and one's subjective evaluation of one's life. This means that life satisfaction, like all other measures of happiness, can be influenced by the mood of the respondent at the time of the interview and on the most recent events in their life; however, it is assumed that the effect of this bias on the ranking of one's satisfaction with life is negligible.

#### II. Trends in Life Satisfaction

#### A. Canada

In 2003, 91.3 per cent of Canadians reported being satisfied or very satisfied with their life in general. By 2011 this proportion had risen to 92.3 per cent (Chart 1). This 1.0 percentage

<sup>&</sup>lt;sup>5</sup> Statistics Canada: http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=3226&lang=en

<sup>&</sup>lt;sup>6</sup> Statistics Canada: http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=3226&lang=en

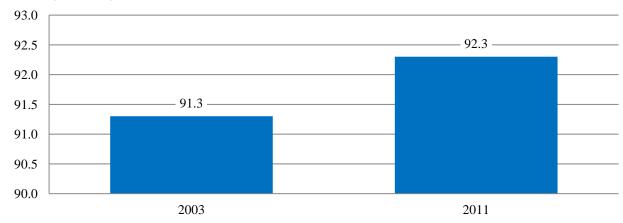
<sup>&</sup>lt;sup>7</sup> Statistics Canada: http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=3226&lang=en

<sup>&</sup>lt;sup>8</sup> However, the only data published on CANSIM is the percentage of respondents that rated their life satisfaction between 6 and 10 (i.e. satisfied or very satisfied), not the average level of self-reported life satisfaction between 0 and 10.

<sup>&</sup>lt;sup>9</sup> Statistics Canada, CANSIM Table 105-0501: Footnotes 72&73

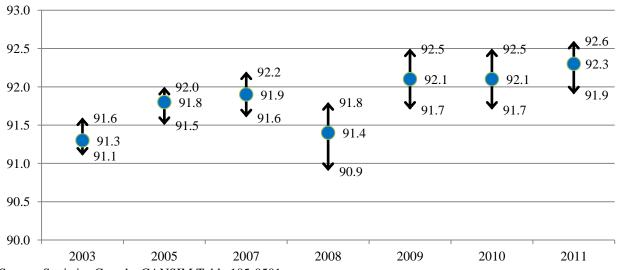
point change may appear small, but it represents a significant increase (Chart 2). The bottom confidence interval for the 2011 estimate (91.9 per cent) is above the top confidence interval (91.6 per cent) for the 2003 estimates (Chart 2). 10

Chart 1: Per Cent of Population (12+) Reporting Being Satisfied or Very Satisfied with Life in General, Canada, 2003 and 2011



Source: Statistics Canada, CANSIM Table 105-0501.

Chart 2: Per Cent of Population (12+) Reporting Being Satisfied or Very Satisfied with Life in General and 95% High/Low Confidence Intervals, Canada, 2003 to 2011<sup>11</sup>



Source: Statistics Canada, CANSIM Table 105-0501.

<sup>10</sup> The 95% high/low confidence interval tells us that 95 per cent of the time the true parameter value will be within the high and low intervals. Therefore, large confidence interval values indicate that the parameter value has high variability. A change between two years is "statistically significant" if the parameter values of each year are not within the 95% low/high confidence intervals of the other year..

Each sphere on this chart represents the estimated percentage for a given year, the upper arrow represents the 95% high confidence interval, and the lower arrow represents the 95% low confidence interval. If the arrowed region for a given year is within the arrowed region of another year, there is no statistically significant change between the two years. For example, the 95% high confidence interval in 2003 (91.6 per cent) is lower than the 95% low confidence interval in 2011 (91.9 per cent), which implies that the change between these two years is statistically significant. Please note that the percentage point increase in the percentage of population reporting being satisfied with life in general in Canada between 2003 and 2011 may actually range between 0.3 and 1.5 per cent due to sample variability.

Life satisfaction differs between age groups (Chart 3). In 2011, Canadians aged 12 to 19 years were the happiest with their life, with 96.9 per cent reporting being satisfied or very satisfied. As one moves up the age pyramid, the average level of life satisfaction progressively diminishes, with Canadians aged 65 years and older being the least satisfied group, with 89.0 per cent reporting being satisfied or very satisfied with life.

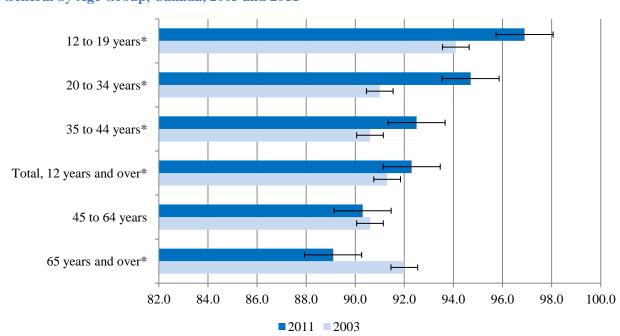


Chart 3: Per Cent of Population (12+) Reporting Being Satisfied or Very Satisfied with Life in General by Age Group, Canada, 2003 and 2011

Source: Statistics Canada, CANSIM Table 105-0501.

\* These age groups had statistically significant changes in self-reported life satisfaction between 2003 and 2011

Canadians between the ages of 12 and 45 years experienced statistically significant increases in life satisfaction between 2003 and 2011, with the largest experienced by the 12 to 19 year age group (2.8 percentage points). In contrast, life satisfaction decreased for Canadians aged 45 years and older, with a the fall particularly large (2.9 percentage points), and statistically significant, for those aged 65 years and older.

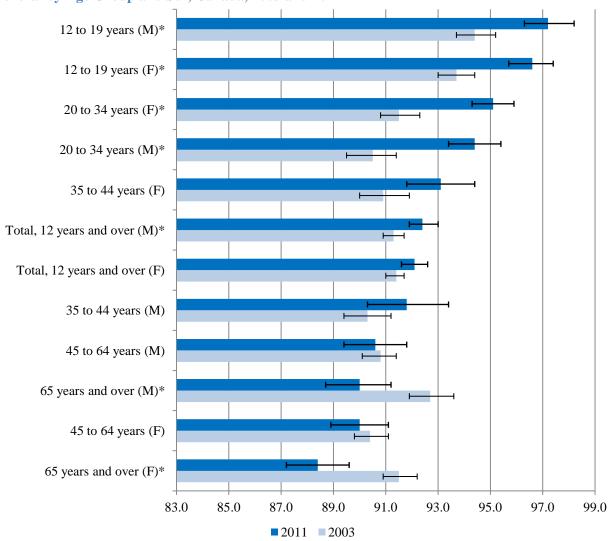
A significant gap in life satisfaction between the very young and old has emerged in this country. In 2003, the proportion of persons aged 12 to 19 who were satisfied or very satisfied was only 2 percentage points higher than for persons 65 and over (94.0 per cent versus 92.0 per cent). By 2011 the gap had jumped to 8.0 percentage points (96.9 per cent versus 88.9 per cent).

Research is needed to explain why young Canadians are becoming happier while older people are becoming less happy. The finding of rising life satisfaction for young people is particularly perplexing given that one might expect that the poor labour market prospects and opportunities for this group would have a negative effect on happiness. The decreasing life satisfaction of persons 45 and over, and particularly those 65 and over, may be explained by growing anxieties arising from the financial crisis and uncertainties associated with employment

prospects and pensions. With the projected rise in the share of the population 65 and over, the issue of declining life satisfaction of seniors represents an important emerging public policy issue.

Chart 4 provides data on life satisfaction by gender both for the total population 12 and over and for the five age groups. There appears to be no significant difference in life satisfaction by gender at the aggregate level. In 2011, 92.4 per cent of men reported being satisfied or very satisfied with life, compared to 92.1 per cent of women. Between 2003 and 2011, there were statistically significant increases in life satisfaction among both males and females aged 12 to 19 years and 20 to 34 years, and among men overall (aged 12 years and older); however, women overall did not experience a statistically significant increase in life satisfaction.

Chart 4: Per Cent of Population (12+) Reporting Being Satisfied or Very Satisfied with Life in General by Age Group and Sex, Canada, 2003 and 2011



Source: Statistics Canada, CANSIM Table 105-0501.

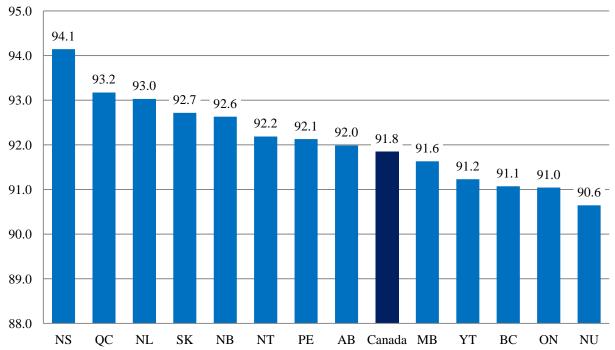
<sup>\*</sup> These demographic groups had statistically significant changes in self-reported life satisfaction between 2003 and 2011.

In addition, there were statistically significant decreases in the percentage of the population reporting being satisfied with life in general among both men and women aged 65 years and older (3.1 and 2.7 percentage points, respectively).

#### **B.** Provinces

Because of the possibility of large annual variation in life satisfaction due to sampling issues. it is useful to use period averages to compare life satisfaction across provinces and territories. Over the 2003-2011 period, Nova Scotia had the highest average per cent of the population reporting being satisfied or very satisfied with their life in general at 94.1 per cent, a level of satisfaction notably higher than all other jurisdictions (Chart 5). Quebec ranked second at 93.2 per cent, followed closely by Newfoundland and Labrador at 93.0 per cent. Life satisfaction was lowest in Nunavut at 90.6 per cent. Ontario ranked second lowest (91.0 per cent) and British Columbia third lowest (91.1 per cent).

Chart 5: Per Cent of Population (12+) Reporting Being Satisfied or Very Satisfied with Life in General, Canada and the Provinces, 2003-to-2011 Period Average



Source: Statistics Canada, CANSIM Table 105-0501.

Between 2003 and 2011, the 1.0 percentage point rise in the proportion of the population reporting being satisfied or very satisfied with life in general was driven by increases in five provinces and two territories (Chart 6), with the Yukon and Quebec experiencing statistically significant increases. In Quebec, the per cent of the populations reporting being satisfied or very satisfied with life in general increase 2.1 percentage points from 91.9 per cent to 94.0 per cent between 2003 and 2011. Indeed, in 2011 Quebec had the highest level of life satisfaction of any province (the Yukon was higher).

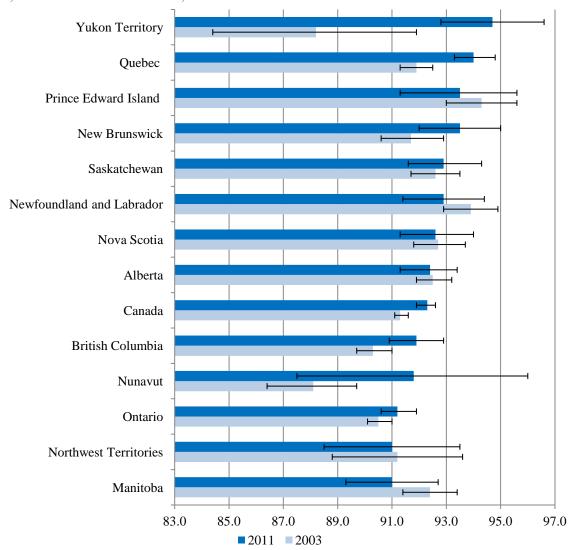


Chart 6: Per Cent of Population (12+) Reporting Being Satisfied or Very Satisfied with Life in General, Canada and the Provinces, 2003 and 2011

Source: Statistics Canada, CANSIM Table 105-0501.

#### C. Census Metropolitan Areas

Although the CCHS does not publish data for Census Metropolitan Areas (CMAs), such estimates can be calculated by taking a weighted average of rates for the health regions that are found in the large CMAs such as Toronto and Montreal. For smaller CMAs, one can take the estimates for the health region in which the CMA is situated as an approximation even if the health region is larger than the CMA.

Among the 36 CMAs in Canada, Québec, Trois-Rivières, Peterborough, Ottawa-Gatineau (QC) and Saguenay had the five highest average percentages of the population reporting being satisfied with life in general in the 2003-to-2011 period (Chart 7). The average for the top five CMAs was 93.9 per cent, 3.3 percentage points higher than the average for the bottom five

CMAs (90.6 per cent). The five CMAs with the lowest per cent of the population reporting being satisfied with their life in general were Winnipeg, Vancouver, Kitchener, Windsor and Toronto.

The provincial distribution of the five top and bottom CMAs is not particularly surprising, given the provincial rankings. Quebec, which had the second highest per cent of the population reporting being satisfied with life over the 2003-2011, had four of the top five CMAs. In addition, Ontario, which was the province with the lowest level of life satisfaction over the 2002-2011 period, contained the three CMAs with the lowest life satisfaction.

96.0 94.6 95.0 94.2 **93.5 93.5** 94.0 93.0 91.8 92.0 90.9 90.9 90.7 91.0 90.3 90.2 90.0 89.0 88.0 Frois-Rivieres Peterborough (C side)

Chart 7: Per Cent of Population (12+) Reporting Being Satisfied or Very Satisfied with Life in General, Top and Bottom 5 CMAs, 2003-to-2011 Period Average

Source: Statistics Canada, CANSIM Table 105-0501.

Between 2003 and 2011, the percentage of persons 12 and over reporting being satisfied or very satisfied with life increased the most in Montréal, Peterborough, Saint John, London and Vancouver; these CMAs all experienced increases of 2.0 percentage points or higher, more than double the national average increase of 1.0 percentage point (Table 1). The proportion of persons reporting being satisfied or very satisfied with life fell more than two percentage points in three CMAs: Abbotsford, Brantford, Kingston and Kitchener.

Quebec's CMAs, like the province as a whole, outperformed other parts of Canada in terms of life satisfaction. Of the distinct 34 CMAs listed below, only six are located in Quebec; however, while only 55.6 per cent of all CMAs experienced growth in life satisfaction from 2003 to 2011, five of Quebec's six CMAs did. In addition, these same five Quebec CMAs – Montréal, Québec, Ottawa-Gatineau (QC), Trois-Rivières and Saguenay – all had larger percentage point growth in the proportion of the population reporting being satisfied or very satisfied with life than the Canadian average.

Table 1: CMAs Ranked by Absolute Change in Life Satisfaction, 2003 to 2011<sup>12</sup>

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	2003	2011	Δ 2003-2011
Montréal	90.3	93.7	3.4
	91.0	93.7	3.4
Peterborough Saint John	90.7	93.6	2.9
London	90.7	93.0	2.5
Vancouver	89.7	92.0	2.3
	93.4	95.4	1.9
Québec			
Toronto	89.1	90.9	1.8
Saskatoon	90.9	92.6	1.7
Ottawa - Gatineau (ON)	90.8	92.4	1.6
Saguenay	91.9	93.5	1.6
Trois-Rivières	93.4	95.0	1.6
Ottawa - Gatineau	91.7	93.2	1.5
Regina	92.8	94.3	1.5
Ottawa - Gatineau (QC)	93.8	95.1	1.3
Moncton	92.5	93.5	1.0
Oshawa	90.4	91.4	1.0
Hamilton *	91.1	92.1	1.0
Edmonton	91.8	92.5	0.7
Calgary	92.8	93.3	0.5
St. Catherine's - Niagara	91.4	91.7	0.3
Guelph	92.9	93.0	0.1
Halifax	93.3	93.3	0.0
Kelowna	90.5	90.5	0.0
Thunder Bay	91.6	91.4	-0.2
Sherbrooke	94.5	94.2	-0.3
Victoria	92.3	91.9	-0.4
Windsor	91.5	91.1	-0.4
St. John's	93.9	93.3	-0.6
Fredericton	93.7	92.8	-0.9
Barrie	92.0	90.9	-1.1
Greater Sudbury	91.6	90.2	-1.4
Winnipeg	91.6	90.1	-1.5
Abbotsford	91.9	89.8	-2.1
Brantford	92.0	88.9	-3.1
Kingston	92.3	88.4	-3.9
Kitchener	91.6	87.2	-4.4
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Source: Statistics Canada, "Health regions and peer groups": Tables 3&4

### **D.** Health Region Peer Groups

Statistics Canada organizes the 115 health regions into ten peer groups "in order to effectively compare health regions with similar socio-economic characteristics."<sup>13</sup> These

<sup>\*</sup> The percentage point change is between 2004 and 2011 for Hamilton (CMA).

<sup>&</sup>lt;sup>12</sup> Please note that the percentage points increases in Table 1 may not all be statistically significant as the 95% high/low confidence intervals are high in many health regions.

Statistics Canada: http://www.statcan.gc.ca/pub/82-221-x/2011002/hrpg-eng.htm

characteristics include: demographics (e.g. population change and makeup), living conditions (e.g. income inequality and housing), and the working environment (e.g. labour market prospects). Table 2 provides a comparison of life satisfaction between the ten health region peer groups.

Table 2: Characteristics of Health Region Peer Groups					
Peer	Per Cent of				
Group	Population	Principal Characteristics	Relevant Health Regions		
A	33.5	<ul> <li>Urban-rural mix from coast to coast</li> <li>Average percentage of Aboriginal population</li> <li>Average percentage of immigrant population</li> </ul>	<ul> <li>Région de la Capitale- Nationale</li> <li>Niagara Regional Area Health</li> <li>Winnipeg Regional Health</li> </ul>		
В	16.7	<ul> <li>Mainly urban centres in Ontario and Alberta with moderately high population density</li> <li>Low percentage of Aboriginal population</li> <li>Very High employment rate</li> <li>Higher than average percentage of immigrant population</li> </ul>	<ul> <li>City of Ottawa Health Unit</li> <li>Calgary Zone</li> <li>Edmonton Zone</li> </ul>		
С	10.3	<ul> <li>Sparsely populated urban-rural mix in Eastern and Central provinces</li> <li>Average percentage of Aboriginal population</li> <li>Average employment rate</li> <li>Low percentage of immigrant population</li> </ul>	<ul> <li>Zone 1 (Moncton area)</li> <li>Thunder Bay District Health Unit</li> </ul>		
D	5.1	<ul> <li>Mainly rural regions from Quebec to British Columbia</li> <li>Average percentage of Aboriginal population</li> <li>High employment rate</li> </ul>	<ul> <li>Région de la Chaudière- Appalaches</li> <li>East Kootenay Health Service Delivery Area</li> </ul>		
E	3.1	<ul> <li>Mainly rural and remote regions in the Western provinces and the Territories</li> <li>High proportion of Aboriginal population</li> <li>Average percentage of immigrant population</li> </ul>	<ul><li>Yukon Territory</li><li>Northwest Territories</li></ul>		
F	0.4	<ul> <li>Northern and remote regions</li> <li>Very high proportion of Aboriginal population</li> <li>Very low employment rate</li> <li>Low proportion of immigrants</li> </ul>	<ul><li>Burntwood/Churchill</li><li>Nunavut</li></ul>		
G	15.6	<ul> <li>Largest metro centres with an average population density of 4,065 people per square kilometre</li> <li>Very low proportion of Aboriginal population</li> <li>Average employment rate</li> <li>Very high proportion of immigrant population</li> </ul>	Région de Montréal     City of Toronto Health Unit     Vancouver Health Service     Delivery Area		
Н	2.0	<ul> <li>Rural northern regions from coast to coast</li> <li>High proportion of Aboriginal population</li> <li>Low proportion of immigrants</li> </ul>	<ul> <li>Labrador-Grenfell Regional Integrated Health Authority</li> <li>Région du Nord-du-Québec</li> <li>Prairie North Regional Health</li> </ul>		
I	1.7	<ul> <li>Mainly rural Eastern regions</li> <li>Average percentage of Aboriginal population</li> <li>Low employment rate</li> <li>Very low percentage of immigrant population</li> </ul>	<ul> <li>Cape Breton District Health Authority</li> <li>Région de la Gaspésie – Îles- de-la-Madeleine</li> </ul>		
J	11.6	<ul> <li>Mainly urban centers in Ontario and British         Columbia with high population density</li> <li>Low proportion of Aboriginal population</li> <li>High proportion of immigrants</li> </ul>	<ul> <li>Peel Regional Health Unit York Regional Health Unit</li> <li>North Shore/Coast Garibaldi Health Service Delivery Area</li> </ul>		
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Source: Statistics Canada, "Health regions and peer groups": Tables 3&4

Among Canada's ten health region peer groups, Group D had the highest average per cent of the population reporting being satisfied with their life in general in the 2003-to-2011 period at 93.3 per cent (Chart 8). Group I ranked second at 92.9 per cent, followed closely by Groups H and C at 92.7 per cent. Only Groups J, F and G had a lower 2003-to-2011 period average per cent of the population reporting being satisfied with their life in general than the national average (91.5, 91.1 and 89.5 per cent respectively versus 91.8 per cent). Life satisfaction in Group G, however, was lowest at 89.5 per cent, a rate 2.3 percentage points less than the national average.

94.0 93.3 92.9 **- 92.7** 92.7 -93.0 92.4 92.1 91.9 91.8 92.0 91.5 91.1 91.0 90.0 89.5 89.0 88.0 Peer Peer Peer Peer Canada Peer Peer Peer Peer Peer Peer Group J Group F Group G Group D Group I Group H Group C Group A Group E Group B

Chart 8: Per Cent of Population (12+) Reporting Being Satisfied or Very Satisfied with Life in General, Top and Bottom 5 CMAs, 2003-to-2011 Period Average

Source: Statistics Canada, CANSIM Table 105-0501.

Comparing Group D, the health region peer group with the highest life satisfaction, with Group G, the health region peer group with the lowest life satisfaction, might points to certain characteristics of regions that are more conducive to life satisfaction. Group D health regions are in rural areas with high employment rates, while Group G health regions are in the densest urban areas in Canada – Montréal, Toronto and Vancouver – with average employment rates and large immigrant populations. Dense urban areas with large immigrant populations had the lowest levels of life satisfaction across Canada (i.e. Groups B, G and J), while rural areas with small immigrant populations had the highest levels of life satisfaction (i.e. Groups D, H and I). While it is clear that rural areas with small immigrant populations had higher self-reported levels of life satisfaction, the causes are not evident; more investigation into this phenomenon is needed.

Rural Canadians reported higher levels of life satisfaction than their urban counterparts even though urban Canadians are generally more educated and have higher incomes. Basic economic theory tells us that individuals derive utility from consumption; thus, urban-dwellers with higher incomes and consumption of educational services might be expected to report higher levels of happiness, other things being equal. Nevertheless, self-reported well-being is

subjective, and has more to do with perceptions and emotions than physical realities like the quantity and quality of goods and services that one can enjoy.

An exception to the typical correlation between low population density and life satisfaction was found in Group F, which had the second lowest per cent of the population reporting being satisfied with their life in general (91.1 per cent). Group F is located in northern and remote regions with very high proportions of Aboriginals in the total population, few immigrants, and a low employment rate. Examples of Group F regions are northern Manitoba and Nunavut. It is not surprising that this peer group is the least happy as Nunavut had the lowest level of life satisfaction among the provinces and territories.

#### III. Life Satisfaction in Canada in International Perspective

According to the February 2012 Gallup World Poll on subjective well-being, Canada ranked second out of over 150 countries polled (Chart 9). On average, Canadians ranked their life satisfaction at 7.7 on a ten-point scale, only behind Denmark at 7.8. In consecutive order, the seven countries with highest self-reported well-being after Canada are: Norway, Switzerland, the Netherlands, Sweden, Venezuela, Australia and Finland. Canada's 2012 life satisfaction ranking is up from fifth in 2007-8.

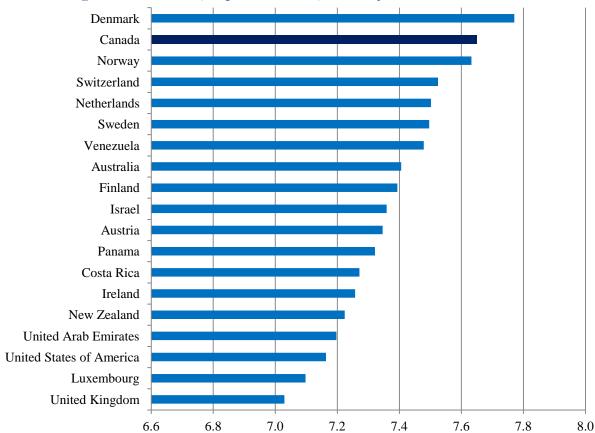


Chart 9: Average Life Satisfaction, Top 20 Countries, February 2012

Source: Gallup World Poll via the 2012 Happy Planet Index.

While most of the countries with the twenty highest levels of self-reported life satisfaction were wealthy and developed, this was not an iron-clad rule: Venezuela ranked seventh in self-reported happiness, much higher than richer countries like the United States and United Kingdom. In addition, Costa Rica and Panama both ranked among the top twenty happiest countries, and above more developed peers. This demonstrates the importance of variables other than national wealth in determining the average life satisfaction of a population.

#### IV. Conclusion

The objective of this report has been to provide an update and overview of trends in self-reported life satisfaction in Canada, based on Statistics Canada's Canadian Community Health Survey (CCHS) data. The report finds that Canadians are happy and getting happier. In 2011, 92.3 per cent of Canadians 12 and over reported that they were satisfied or very satisfied with their lives, up a statistically significant 1.0 percentage point from 91.3 per cent 2003. According to a Gallup World Poll taken in February 2012, Canada is the second happiest country in the world preceded only by Denmark. Our ranking has increased from fifth place (2007-8 Gallup World Poll), indicating that Canada is becoming happier relative to its international peers.

In general, younger Canadians were more likely to be satisfied with their life overall in 2011 than other age groups. Of the five age groups, persons aged 12 to 19 were the happiest, with 96.9 per cent reporting being satisfied or very satisfied with their lives. In contrast, those 65 and over were the least happy, with 89.1 per cent reporting being satisfied or very satisfied. Between 2003 and 2011 the 12-19 age group became happier and seniors less happy. This growing gap between life satisfaction of the young and the old appears to be a new phenomenon and merits additional research. Indeed, with the growing importance of persons 65 and over in the population, the absolute decline in life satisfaction among seniors represents an important emerging public policy issue.

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